

Response to ENRD Draft Briefing – Working Document on How to support Village Strategies / Plans which effectively empower rural communities?

Introduction

In November 2018, ENRD published a Draft Briefing – Working Document on the topic of how to support Smart Villages (TG) which empowers rural communities.

The thematic working group on Smart Villages began considering this topic in late 2017 with the following working definition of Smart Villages as: *“Rural areas and communities which build on their existing strengths and assets as well as new opportunities to develop added value and where traditional and new networks are enhanced by means of digital communications technologies, innovations and the better use of knowledge for the benefit of inhabitants”.*

The TG on Smart Villages set out to explore how rural services in areas such as health, social services, education, energy, mobility, retail and others, can be improved and made more sustainable and innovative through: a) the deployment of ICT tools and/or, b) by supporting community led actions and projects.

Context for the Work of the TG:

Rural areas are locked into a “circle of decline” by two mutually reinforcing trends – (1). a shortage of jobs and sustainable business activity and (2). Inadequate and declining services

The main objectives for Smart Villages are outlined as:¹

1. To develop recommendations and examples for improving strategies for the revitalization of innovative rural services and enhancing the role of the RDPs
2. To provide guidance, tools and examples at a project level.

ENRD has carried out work to look at the first of these challenges by organising thematic groups on “[smart supply chains](#)” and “[smart and competitive rural businesses](#)” and through the work of the Smart Village TG, the ENRD CP set out to tackle the second part of the equation by progressing the work of the thematic working group on ‘Smart Villages’ by focusing attention on revitalising rural services through both digital and social innovation.

Exploring the Smart Village added-value?

From early on in the process, a key challenge became evident – where was the added-value of the Smart Village approach? and where does it fit with conventional rural development tools like LEADER. This question became amplified with the lack of an early definition of what a Smart Village was, or is not. The Working Draft (p.2)² explains, “There is an ongoing discussion about the definition of a Smart Village and several definitions have been made. However, the overall consensus is that Smart Villages are rather like innovation (“a good idea that works in practice”) and cannot be defined too rigidly in advance.” This comment only serves to add to the confusion and ILDN would argue that we need greater clarity on the Smart Village definition, its distinctiveness and on where it fits in with other established rural development tools such as LEADER.

In the context of a shrinking CAP budget post 2020, the policy priorities and tools selected to serve the needs of rural communities is critical. The policy approach must be clear, well-articulated, with proven and efficient delivery methods in order to avoid fragmentation of approach and a duplication of effort.

The Smart Villages concept is still very ill-defined and its potential added value far from evident. LEADER on the other hand is a proven methodology and successful approach, has a European-wide footprint, with a defined template that influenced the development of Community Led local Development (CLLD) across the EU's programmes.

A Smarter Integrated LEADER / CLLD

ILDN and other LEADER representatives at the TG workshops have welcomed the renewed policy focus on rural areas, including villages but would point out that LEADER / CLLD satisfies the majority of the goals as outlined for Smart Villages. We need to consolidate the LEADER / CLLD potential as a bottom-up tool for addressing the needs and opportunities of rural communities, villages and countryside's. We need to be careful not to fragment our efforts and policy focus of serving the needs of rural areas and on helping them use innovation to address the future competitiveness and sustainability of rural communities.

The ENRD Draft Briefing Working Document makes reference to bureaucracy in LEADER and the fact that the LEADER method is not being fully implemented in some member states. But these are issues which can be overcome, and where they exist, are likely to affect many RDP / CLLD approaches, both existing and new. ELARD, European Rural Parliament, European Economic Social Committee³ and ILDN have highlighted a range of practical solutions to revitalise LEADER and CLLD and consolidate their potential both for the current, and the next programme period, including in the Venhorst Declaration 2017.

The ENRD LEADER Innovation Practitioner-Led Working Group 2017⁴ brought forward a range of suggestions to improve innovation capacity of the whole LEADER value-chain (EU, MS, Regional Authorities and LAG). The report also summarised on p. 13 some recommendations for EU policy makers from ENRD workshops on LEADER (2016 Sweden) and (2017 Hungary). Similarly, the Grupo CARMEN issued a paper called 'Reinventing Europe – with and for its people'⁵ stating that an appropriate response to change and diversity would require 'collaborative governance', for which it stipulated six principles and its translation into practice. The key point here is that the focus must be community-led, collaborative, using the proven bottom-up approach.

The LEADER Methodology

The LEADER method has proven effective and resilient over the last 28 years. Its seven principals and methodology have acted as a touchstone for both policy makers and Local Actions Groups alike. Over this period LEADER has not stayed static, rather it has responded flexibly in each programme period to the specific economic and social challenges across respective member states and rural areas. In this way, LEADER has been the institutional innovation, which has tangibly increased the probability of the emergence of social and technological innovation in the LAG area. LEADER has also been the blueprint for the emergence of CLLD, with the aim of spreading the successful bottom-up community-led model into broader fields of policy.

LEADER when fully embraced at the local level and if fully empowered as an innovative RDP tool at the national and European level, can be a very effective collaborative governance tool. Many Managing Authorities (MA) are responding to the need for flexibility. The Irish MA when presented with a range of challenges facing the implementation of the current LEADER programme in 2016, responded by making 31 changes to their LEADER Operating Rules, mainly focused on making the application process more streamlined. While these changes were very welcome and demonstrated the MAs commitment to the LEADER approach in Ireland, they were confined to areas under the MAs control and did not include more systemic changes being sought at EU programme level by LAGs.

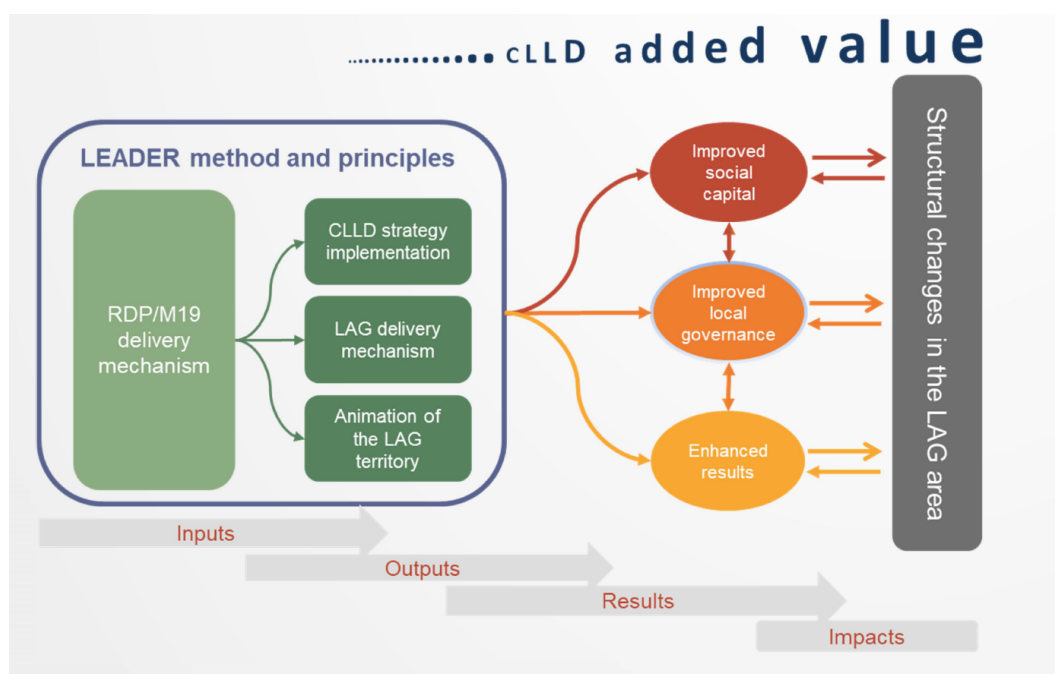
Robert Lukesch captures the essence of LEADER in his recent LEADER RELOADER paper⁶ pointing out that it is important to "*reflect on the mission and the LAG as a 'change maker' for rural renaissance.*" He highlights the nature of LEADER as a programme/measure/method, and secondly the LAG as a local partnership/organisation, which can both be regarded as institutions whose mission is to encourage, enable and ultimately to generate (social and economic-technological) innovation in their spheres of activity.

This unique function is captured where he refers to “LEADER and the LAG are poised at the edge of complying to the prevailing structures and processes on the one hand and of instigating change – and not of the kind which would occur anyway! – on the other hand.” This is a timely observation as it captures the importance of LEADER and the LAG as a collaborative governance process in developing and implementing the Local Development Strategy and on enhancing the local institutional capacity.

The continued relevance of the collaborative governance approach that is LEADER is also highlighted in the recently published OECD Draft Principles of Rural Policy 2018⁷, where the need to “Promote inclusive engagement in the design and implementation of rural policy” (Principal 10) is highlighted. This includes the need to engage a diversity of voices in the policy process and ensuring their views and aspirations are reflected in rural policies is highlighted. In addition, the need to empower local and regional stakeholders to be partners in the development process is also restated. With a view to harnessing innovative mechanisms to engage with the private sector and leveraging their expertise and resources to deliver better outcomes for rural areas is also regarded as important.

The LEADER evaluation guidelines of the Rural Evaluation Helpdesk⁸ (Fig. 2) below encapsulate the uniqueness of the LEADER / CLLD method and define the ‘Added Value of LEADER’ as the combined benefits or (enhanced results) deriving from (i) improved social capital, (ii) improved local governance and (iii) enhanced results of strategy implementation.

Fig. 2



Indeed, we should remember that when LEADER was first implemented, this uniqueness of approach to local governance was akin to a ‘disruptive technology’ in terms of its governance approach. Therefore, it is with this uniqueness of the LEADER method in mind that many LEADER practitioners and experts (as outlined above) have proposed enhancements, particularly in the multi-fund approach as a way to rejuvenate the method now when many parts of rural Europe are experiencing significant challenges. As the CARMEN Group puts it, “Europe needs to rebuild the trust and hope of its people more than ever before. Brexit is just one sign of growing populism and suspicion of European institutions and projects. This feeling is being fuelled by an increasingly uncertain global situation, climate change, terrorism, migration and greater inequality. Some people have gained – but many others have clearly lost.”

The Draft Briefing – Working Document p 7 states that “In the case of using LEADER or any other RDP measure to support Smart Villages, it is necessary to ensure that the delivery mechanisms are ‘flexible and simple for the end users’ to enable their involvement”. ILDN argues that this statement should apply to all EU funding and that the inclusion of this observation only lends weight to the ongoing calls for LEADER / CLLD simplification. LEADER practitioners have provided some very innovative proposals which if embraced by EU policy makers can solve many of the administrative difficulties currently evident in RDP programmes like LEADER / CLLD.

Integrated LEADER CLLD as a driver for Rural Development

ILDN propose that the 'Integrated LEADER CLLD model' are examples of where a critical mass of local development policy approaches are brought together by a Local Development Agency as the LAG, which can effectively address the rural development needs of areas including villages and countryside's. These Local Development Agencies can bring considerable value to the needs of rural areas, including a Smart Village approach. Their local partnership model creates considerable added-value at local level through innovative integrated approaches providing much enhanced aspects of strategy implementation of scale and scope.

This need for integrated policy approaches is referenced in ENRD EU Rural Review No 26 (Smart Villages Revitalising Rural Services, p41)⁹ where the positive benefits of using the RDP Measures as a 'toolkit' are highlighted. It states that *"... the Measures' added value truly emerges when they are combined strategically to support smart village initiatives along the road to change, i.e. from the initial idea right through to successful scale-up."* In this respect, the critical enabler role of LAGs is highlighted: *"of bringing communities together, motivating them and helping them to plan and prioritise the next steps"*. In addition, it provides *"support for drawing up and updating of plans for the development of municipalities and villages in rural areas and their basic services can be used very effectively to support plans for village and municipal development"*. However, if using the LEADER / CLLD 'multi fund' tool, this toolkit could be significantly enhanced to cover broader areas of rural development needs in a more integrated way.

We see language is evolving – what we would have called Integrated Rural Development in the past is now more likely to be called Smart LEADER / CLLD. But whatever the terminology, LEADER continues to be a key approach, which has enabled other policy initiatives to coalesce around it. Local Development Companies (LDCs) in Ireland have pulled together policy and funding streams which are complementary to LEADER to support the needs of rural areas. Experience has shown us that there is significant value in blending programme funds to achieve an integrated approach. This sharpens policy direction and collaborative impact resulting in efficiency and more integrated rural development which is more responsive to the needs of rural communities. It also encourages local stakeholder to get behind a vision for an area.

This concept of using LEADER / CLLD to drive the rural integrated development approach is supported by EESC (2018), which calls for a "campaign to introduce CLLD as a synergy tool – in order to achieve effectiveness, partnership, subsidiarity and financial support". Significant economy of scale and scope can be achieved by clustering key services and supports for villages & rural communities.

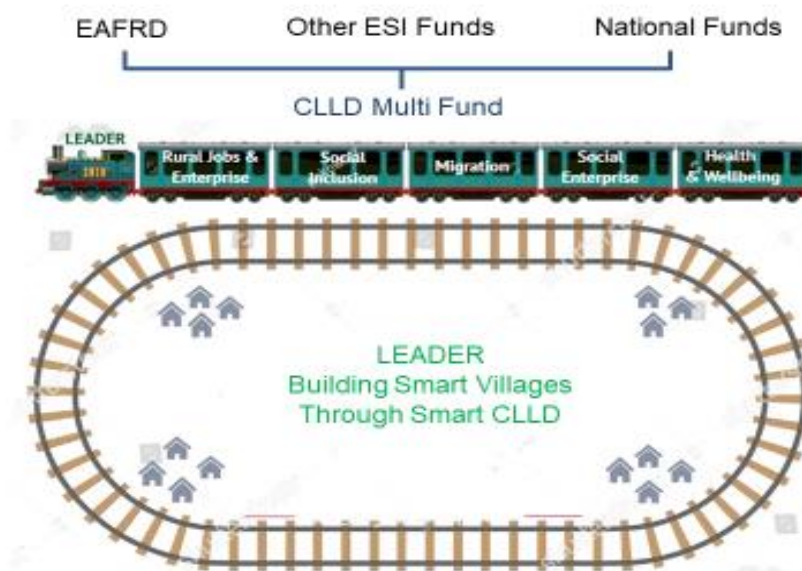
A single administration of the Integrated CLLD yields greater value for money and service alignment. Once local relationships are built with the LDC over time, villages and rural communities trust and buy in is high in the bottom up approach. ILDN would contend that the LDC approach to LEADER harnessing Integrated CLLD in Ireland represents a Social Innovation approach which is delivering on Smart Villages and countryside's. However, there is always scope for improvement.

The renewed focus on Villages and countryside's is very welcome. We understand that LEADER post 2020 will contain Smart Village indicators (i.e number of village plans etc). Given the importance of the bottom-up process in LEADER / CLLD, it would be important that the indicators also capture the scale of 'community-led' processes and the level of village social innovation projects supported.

In Fig. 1 below we use the train and railway track analogy to capture the development agency integrated approach with LEADER, other ESI Funds and local funds forming a multi-fund channel to rural communities and villages. LEADER is the engine or 'synergy tool' and provides the drive to bring a range of complementary funded services and initiatives to rural communities. The programmes and actions delivered are complementary and form part of an overall local development strategy for the rural area, down to village and countryside level.

Fig. 1

Ideal Model Integrated Smart CLLD – Through Social Innovation



CLLD Multi-fund represents a key tool for enhancing the LEADER methodology and addressing local rural needs in a more integrated way. In Ireland the Local Development Company approach to integrated development over the last 25+ years has for us proven the effectiveness of the model. ILDN urges EU policy makers to more fully embrace the multi-fund opportunities and take on board the key recommendations made above for LEADER / CLLD.

Drivers for more efficient and integrated LEADER / CLLD

There is significant evidence that European Programmes are being viewed as overly bureaucratic and centralised. There is growing signs of nationalism, right wing populism and suspicion of European institutions and the European project itself. European and global uncertainty, climate change, security, migration, globalisation and social inequality is highlighting an important need to rebuild trust and hope in the EU institutions and among its citizens. In particular, Europe needs to reconnect with its rural citizens and meet the emerging challenges of today's society. According to ESPON¹⁰, Predominantly rural regions currently account for 28% of Europe's population, but the population of predominantly rural regions is projected to fall by 7.9 million by 2050. Rural Development Policy and in particular LEADER / CLLD, if appropriately structured, has the potential to make the EU more tangible in rural communities across Europe. In addition, LEADER is a well-acknowledged EU citizen-driven developmental programme which resonates with, and whose impacts reach, down to rural communities.

OECD Rural Policy 3.0 calls for an 'integrated package of policies', "to mobilise assets and empower communities in order to enhance the social, economic and environmental well-being of rural areas. The approach should take a place-based view implementing an integrated approach, replacing top-down with result-orientated policies. The 11th OECD Rural Development Conference statement¹¹ confirmed that rural development is essential to include inclusive growth. "Many rural dwellers have expressed discontent with uneven impacts of globalisation". Low population density, remoteness, and limited diversity in economic structures all expose rural communities to external shocks. Notwithstanding this, rural areas have a wide range of assets and resources and a strong potential for sustainable growth.

The OECD Conference identified 10 Key Drivers of Rural Change in the 21st century. They highlight that the ‘upgrading of skills’ and ‘diffusion of innovation’ will be paramount for rural dwellers to seize the ‘transformative opportunities’, and that enhancing innovation is key to mobilise growth potential and promote well-being for rural dwellers. Emphasising the importance of LEADER type approaches to rural development, the OECD stated there was a continued need for *“wide ranging collaboration and partnership between public, private, not-for-profit and educational organisations are important to secure the required rural innovation”*.

According to EESC (2018), *“CLLD is a very good mechanism for supporting the ‘Smart Villages’ concept Plays an important role in promoting ‘integrated development’ and guarantees that investments are in accordance with the real needs and potential of local areas”*. EESC also state that because CLLD is a European-rooted bottom-up approach *“it can help to counterbalance anti-European tendencies in local communities by contributing to social inclusion and sustainable economic development ...”*.

Many of the European ESI funds including CAP are likely to experience budget reductions post 2020 as a result of BREXIT. In this context, the integrated LEADER / CLLD, with a single administration structure at local level makes for the efficient and effective delivery of these EU programmes for rural communities and villages.

The paradigm of innovation as driven primarily by technology and science is passé. A new paradigm is emerging, where communities, individuals and customers collaborate and co-create to identify problems and develop more innovative solutions. Individuals and communities are demanding higher levels of public service, while statutory service provision tends to apply a one size fits all. In the future, communities as consumers, not just institutions will need to have a greater voice and role in the innovation process.

The aims of Smart Village Strategies / Plans

The Smart Villages Draft Briefing – Working Document p 3 states *“Smart Villages are about channelling the energy, vision and commitment of local people towards local action.”* But this is not new, in fact this approach has been at the core of the LEADER Programme for 28 years now, using bottom-up community consultation to define needs of their area and to develop the LEADER Local Development Strategy and vision around this.

The paper goes on to state *“Smart Villages strategies / plans should not be perceived, interpreted or promoted as yet another layer of formal, comprehensive territorial strategic documents. These plans are vehicles for nurturing and responding to local initiatives and are not about preparing another sort of participatory planning process which is then implemented through a formal programme.”* and *“The project examples and initiatives that have been collected and discussed in the ENRD Thematic Group on Smart Villages clearly indicate that Smart Villages usually begin with local people coming together around a common problem or a common vision in order to implement some form of ‘plan of actions’ to achieve a specific goal.”*. These statements appears to try, unconvincingly to differentiate the Smart Village approach to other established rural development methods like LEADER, and also cites project examples for Smart Villages, the majority of which are in fact LEADER funded projects.

In addition, it states that Smart Village projects: *“they tend to start small and focus on resolving certain key opportunities or problems that motivate local people.”* and that *“the Smart Village strategy/plan is simply the vehicle for guiding and supporting this collective action and not the end in itself”*. However, it goes on to state: *“Smart Villages plans/strategies go beyond isolated actions by individual local actors and aim instead to enable the community as a whole to implement integrated packages of future-orientated actions which respond to their long-term challenges and opportunities”*. This latter statement in particular is articulating exactly what LEADER already does through its Local Development Strategy. In addition, under Basic Services measure in LEADER, rural communities and groups can determine local needs at a village level and apply for project funding assisted through the LEADER animation resources of the LAG.

ILDN's analysis of the justification being presented in the previous sections above as outlined in the draft document for the Smart Village approach as bringing something distinctly new to rural development, or as a separate rural development method outside of LEADER is weak. The project examples cited are typically LEADER and the methods and approaches are more than encapsulated in the current LEADER Programme, and as evidenced in the seven principles of LEADER.

From a rural development practitioners point of view, suggesting Smart Villages is a separate approach has the potential to confuse, fragment and ultimately damage rural social capital and its capacity for social innovation, a prerequisite and essential ingredient for effective endogenous rural development.

The Smart Villages Draft Briefing – Working Document outlines a list of criteria (p.6) to be developed at national, regional and provincial level to help identify an appropriate Smart Village Strategy/ Plan and distinguish them from other interventions. Below we will map these suggested criteria against the LEADER method.

Suggested Criteria for a Smart Village Strategy	Existing criteria used in LEADER Local Development Strategy
<p>Evidence of an active group of local citizens who are driving the overall Smart Villages process. This could be 'letters of commitment' from local residents, businesses and local institutions or authorities.</p> <p>It could also be some form of legal entity (e.g. a civil society organization) that the community has nominated / delegated / engaged to take the lead.</p> <p>Such initiatives can come from civil society, the public or even private sectors – which are legitimate, open and inclusive.</p>	<p>In terms of the CLLD local partnership and the selection of projects at the local level, the Draft CPR 2 (2021-2027)¹² outlines the relevant requirements.</p> <p><i>Article 25 states: CLLD shall be “led by local action groups composed of representatives of public and private local socioeconomic interests, in which no single interest group controls the decision making”.</i></p> <p><i>Article 27 states: The Local Group is in charge of “drawing up a non-discriminatory and transparent selection procedure and criteria, which avoids conflicts of interest and ensures that no single interest group controls selection decisions”.</i></p> <p>The 7 Operational Principles of LEADER if fully implemented ensure a consistent approach:</p> <ul style="list-style-type: none"> • Area-based approach • Bottom-up approach • Local Partnerships • Multi-sectoral approach • Innovation • Cooperation • Networking
<p>Clear expression of a community 'vision' or 'road map' for change related to one or more of the key problems / opportunities identified by the community, together with evidence of a good level of community engagement with this vision (e.g. photographs of participants working on the vision).</p> <p>Any community-led strategy should be seen as a process rather than an end-state.</p>	<p>In LEADER the development of the Local Development Strategy for the LAG area is a critical process. Firstly, the community are engaged around the needs of their area and they are assisted in articulating and scoping these needs / opportunities and setting priorities.</p> <p>This is backed up by desk research, i.e. census data and deprivation stats for the area down to small village level. Based on above, a vision for the LAG area is developed and is outlined and backed up by specific actions in the LDS. LAG members, including community representatives, statutory, civil society and rural voices get behind the vision and strategy over the 5-7 year period which represents a 'road map' for their area.</p>

<p>Evidence that the Smart Villages Strategy /Plan is designed to find new solutions to the underlying challenges and opportunities in the specific context faced by local people. This could involve the application of digital technologies, new forms of renewable energy, social innovations in rural services, urban-rural linkages, the support for emerging value chains like the bio-economy – or other issues that are relevant in the local context.</p>	<p>Both the current LEADER Programme and the draft programme as outlined in CAP 2020 includes a strong focus on environmental, digitisation, cultural, renewables, social economy and the potential for the bio-economy.</p> <p>LEADER has at it core the development and support of social innovation and development of local social capital.</p>
<p>A simple, tailor-made Action Plan with:</p> <ul style="list-style-type: none"> i) a clear explanation of the sequence of cooperation actions / interventions that have been proposed by the community for pursuing their vision; ii) an overview of how (and by whom) these actions / interventions will be managed; iii) an explanation of how members of the wider community will be mobilized / effectively engaged with this process, and; iv) an estimation of related costs. 	<p>The LEADER Local Development Strategy for the 5-7 year period outlines all actions and approaches agreed by the LAG to address the challenges and opportunities of the area. These are community driven and include scope for projects to be brought forward from village level with the support of LEADER animation function. All LEADER actions in the LDS are required to be inclusive and will outline why the action is being proposed, who will be involved and details of the specific communities targeted.</p> <p>Applications for LEADER funding from rural communities and enterprises will include details of a mix of soft and hard supports as required. These are determined through animation with the local project promoter and typically cover: Needs analysis, training / upskilling analysis and development / feasibility studies, pilots and marketing initiatives and associated project funding. The LEADER approach and principles ensure that the required animation supports are available to project promoters to ensure that the community has available to it the necessary capacity to implement the proposed projects (including external expertise).</p>
<p>Where appropriate, a business model for the long-term financial sustainability of the Smart Village strategy / plan should be taken into account from the start. This might include, for example, income generation for the long-term maintenance of a community-owned asset, or proposals for launching, growing and maintaining community investment funds – after the initial injection of public funds.</p>	<p>All LEADER project proposals from communities are supported to ensure they are financially sustainable. Project promoters are supported in developing a detailed application which in many cases includes a business plan. Many community projects are based on a social economy model and are scrutinised by experienced LEADER staff to ensure they have robust business models in place before any public or indeed community funding is committed.</p> <p>The new CPR also paves the way for an easier implementation of multi-funding CLLD as Article 25 states that the rules of the Lead Fund will be applied to all strands of funding.</p> <p>LEADER will be implemented using the EAFRD rules, which are very flexible as they leave much discretion to the MS on the delivery mechanisms, including supporting small scale or ‘umbrella projects’, allowing the use of ‘global grants’ and making multi-funding more accessible to rural communities.</p>

<p>Any linkages between the Smart Villages strategy / plan and other existing strategies (e.g. local authority, LEADER / CLLD, regional smart specialisation etc.) should also be highlighted.</p> <p>These linkages should be considered favourably in the selection process, for any support schemes for Smart Villages especially where they create the opportunity for useful synergies.</p>	<p>In most MSs, LEADER Local Development Strategies (LDS) must be cross referenced with local authority, regional and national Plans. In Ireland, the LAG ensures that the LEADER LDS is aligned and supports the objectives of the Local Economic Community Plan (LECP) for the administrative area. The LECP in turn is aligned with the Regional Assembly Plans which include the National objectives for rural development and Smart Specialisation objectives.</p> <p>Local Development Companies implement a broad range of rural initiatives including LEADER, Social Inclusion Community Activation Programme, Local Employment Services, a number of Community Employment Programmes (TUS and RSS) etc., all of which contribute to linkages with communities which support a strong focus on village and rural needs and initiatives. Through this integrated CLLD approach (illustrated in Fig. 1 above) with LEADER as a key driver, a critical mass of rural supports are delivered to rural villages and countryside's in Ireland.</p>
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The above mapping process is not exhaustive in terms of the LEADER / CLLD approach and methodology. However ILDN would point out that even a brief review of the suggested criteria for the development of a Smart Village Strategy or Plan as outlined in the left column in above table and taken from page 4-5 of the ENRD draft, shows that the LEADER method already satisfies and indeed exceeds these criteria.

Eamon O'Hara¹³ recently presented an evaluation of the suitability of the LEADER Programme for supporting Smart Villages to the ENRD Smart Village WG. His findings broadly supports the ILDN mapping analysis above. In referring to the objectives of Smart Villages, he states that "in many places LEADER can and is doing this" and that "*LEADER has a framework and reach to facilitate quick and efficient roll-out of Smart Villages*". In addition, LEADER "*can take ownership; identify and address needs to support successful delivery*" of the Smart Villages approach.

While acknowledging some barriers, he recommended to "*integrate Smart Villages within LEADER (sub-programme or similar) and use "effective multi-funding and leverage, alignment with other funds and policies"*". In addition, he suggested a need for an "*increase for animation*" and "*simplify access to funding for collective/small/and risky projects*".

Stitching it all together – the integrated approach

The renewed focus on Smart Village provides an excellent opportunity for EU, national and LEADER / CLLD stakeholders to start a meaningful dialogue around the rejuvenation of LEADER / CLLD, including consideration of the greater adoption of the ESI multi fund approach and the structural changes proposed in the Venhorst Declaration 2017 to enhance LEADER / CLLD capacity to support rural village communities.

We need to consolidate the LEADER / CLLD potential as a bottom-up tool for addressing the needs and opportunities of rural communities, villages and countryside's. Included in this should be an in-depth look at CLLD as an 'integrated Smart CLLD synergy tool', which is community-led and which facilitates the critical mass required for effective and efficient rural development.

There are many rural village movements¹⁴ emerging across Europe many of which are being supported through the LEADER Programme. This is something which could be built upon in the coming programme period and which could become a strong representative voice for the needs of rural communities. There is also significant opportunities for information sharing and cooperation through such village networks.

A supportive Framework for Social Innovation at all levels:

The Smart Village draft document raises the issue of scale of action and by extension the governance model appropriate to address the needs of rural villages across Europe. As Robert Lukesch puts it in his paper ‘People, places, cracks and light’¹⁵, “LEADER / CLLD is just one, but quite brilliant example of social innovation at governance Level”. Social innovation is usually identified and described at the micro level, where groups, as opposed to individuals act to pursue a common wellbeing for their community.

A key priority of the LEADER approach is to improve social capital, as communities with high social capital are more likely to initiate positive community actions and attributes and pursue social innovations – a key requirement for effective rural development and Smart Villages / countryside’s. When considering social capital, we must also include human capital, such as individual’s soft skills and capabilities as well as the level of community engagement and stakeholder involvement in deliberations and decision-making and the overall dynamic of links and relationships and how these are evolving at a local level.

The OECD Draft Principles of Rural Policy (2018 (Principle 2) points to the need to “*adapt policies and governance to functional geographies by “encouraging economies of scale and scope in the provision of public services and amenities in order to maintain quality and accessibility, address market failures and respond to emerging needs”*”.

The LEADER / CLLD governance model has proven successful in targeting rural development policy for rural communities of varying scales. By actively involving communities themselves and working to build their capacity, LEADER local action groups are providing the ‘supportive framework’ for addressing market failure, promoting quality and accessibility through its LDS and targeting supports directly at the needs of their local rural communities.

LAGs have worked hard to ensure their LDSs are responsive enough to effectively address rural village needs while also ensuring a strong coordinated approach to LEADER strategy, governance and quality of implementation. However, EESC (2018) and others have called for greater adoption of the CLLD multi-fund approach as a ‘broad development tool’, which can bring “greater coordination to rural development supports” using the 4 ESI funds, including through greater capacity building, investments, innovation supports and networking. There seems almost universal support for a CLLD regulation with a unified set of rules for the ESI funds at EU level to facilitate a more standardised implementation of the CLLD multi-fund method.

The SIMRA ¹⁶definition of Social Innovation is quite useful in the context of the Smart Village discussion, and they clearly distinguish social innovation from mainstream institutional innovation, when they explain “*...with the third sector – civil society playing a central role, often in partnership or association with public and private sector agency”*”. This mirrors the typical profile of LEADER local action groups and highlights their potential for utilising the social innovation method in their approach to rural development and the needs of rural villages. As SIMRA point out, “*Social innovation provides a powerful means to address social exclusion and disadvantage, can strengthen social capital, and drive place-based development”*”.

We know from the LEADER experience, that not all social innovations are a response to a sudden local crises. Many are driven by a realisation of long-term trends (i.e. depopulation, unemployment, social disadvantage, diminishing services, or a need for a longer-term intervention, etc.), but ultimately the social innovation must deliver an overall improvement for local citizens if it is to survive and continue to be supported.

But as Lukesch points out, social innovation is not just a micro-level phenomenon to be embraced by local communities; it is also relevant to supra-national, national and local authorities. He points to the need for social innovation capacity to be developed in the overall governance systems and for local social innovation to be stimulated and facilitated by all levels of governance. He points to this need when he highlights the important concept of the “gentle hand of government” and the ways that public policy can foster local social innovation.

When we reflect on LEADER and the results of the ENRD LAG survey in 2017¹⁷ where the range of obstacles to implementation being experienced by LAGs across Europe were strikingly common. This highlights a number of key systemic issues which need to be tackled at the EU level. While the top priority for LAGs was supporting project development, 84 percent found their work constrained by administration and bureaucracy.

On a positive note, the LAGs continue to be committed to the seven principles of LEADER and it was of note that 'bottom-up' ranked as the number one principal in the ENRD survey. This is important from a Smart Villages perspective, as the key drivers of social innovation should be the rural communities themselves, facilitated through capacity building and effective animation.

In commenting on how to improve CLLD generally, EESC (2018) states that "*poor dialogue between CLLD actors (Managing authorities, LAGs, paying agencies, LEADER networks has caused growing bureaucracy and enormous delays ...*". This reinforces the point that for social innovation to flourish at the micro-level, both EU and member state policy must provide the 'supportive and facilitative framework' for social innovation.

LEADER / CLLD is evolving

The LEADER approach is acknowledged as a successful example of social innovation at local governance level and a positive example of institutional governance which has in turn improved local governance systems. LEADER has also tangibly stimulated the emergence of social and economic-technological innovation in rural areas across Europe. It worth noting that innovation is one of the seven principles of LEADER. Firstly we encounter innovation at the LAG level in its processes and the approaches and content of its Local Development Strategy (LDS). This doesn't mean that every LEADER project needs to be innovative, simply that the critical mass of projects in the LDS needs to reflect innovation in its processes and strategic ambitions. But as Robert Lukesch reminds us, "*the LEADER method only unfolds its virtues if the seven operational principles are applied as a package*", rather than as an *à la carte* menu.

As we have seen from the numerous project examples of LEADER / CLLD collected by ENRD during the Smart Villages workshops, local innovation does not remain static, LEADER / CLLD is evolving and getting smarter, while the seven operational principles of LEADER remain a key cornerstone of its *raison d'être*.

There are many examples of new and innovative methods and tools being used by LEADER LAGs across Europe in stimulating rural innovation and capacity. The 'Nature of Innovation'¹⁸ project is a collaboration of three Austrian LAGs, in collaboration with the city of Styre to bring new approaches to stimulate innovation in its territory. It is an innovation process, which utilises modern tools like 'design thinking' to work with the community to develop ideas for the future of the region. A similar LEADER inter-territorial cooperation project¹⁹ is in the process of development in the Southern Border counties in Ireland, involving five Local Development Companies implementing LEADER. Its aim is to stimulate innovation capacity in a particularly rural region and bring new problem-solving methods and tools to local stakeholders to develop and enhance innovation capacity. The project includes a strong focus on Smart Villages and on helping rural citizens find practical solutions both to local challenges and to embracing exciting new opportunities for the villages.

Strategic frameworks and mechanisms for supporting Smart Villages

Page 6 of the draft briefing – working document points to the challenge for national / regional policy-makers and policy-implementers to ensure that the right policy tools are available in the right place at the right time to facilitate the development and implementation of Smart Villages and that these tools should be "*easy to use, flexible and modular*". ILDN would support this call, would add the EU Fund administrators to this list and would argue that these challenges are equally applicable in other rural development programmes generally and is exactly what LEADER practitioners have been calling for to be addressed (See Venhorst Declaration 2017, The Tartu Declaration 2016, Opinion of the European and Social Committee 2018, ELARD). We would link this suggested 'strategic framework and mechanism' to the social innovation observations earlier, where we identified the need for social innovation capacity to be developed in the governance systems of LEADER / CLLD generally (top to bottom). The EU, member states and national authorities need to apply rural development policy in a form "that is easy to use, flexible and modular" and which will foster social innovation at the local rural village level.

Preferred approach to supporting Smart Villages

The ENRD draft briefing–working document outlines three possible approaches for supporting Smart Village strategies. ILDN supports the option 1, where **Smart Villages Strategies / Plans are integrated into the LEADER / CLLD** and implemented through the LEADER approach generally, and in the Integrated CLLD approach as employed in many countries. This approach is outlined in Fig 1, p 5 and we use the train and railway track analogy to capture the local development agency approach using the integrated model with LEADER and other ESI and local funds forming a multi-fund channel to rural communities and villages. LEADER is the engine and provides the drive to bring a range of complementary funded services and initiatives to rural communities. The programmes and actions delivered are complementary and form part of an overall local development strategy for the rural area. This one-stop-shop approach for programmes avoids double structures at local level and utilises existing community–led processes, which ensures rural citizens are front and centre in all the decisions made for their local villages.

There is also merit in including option 3, **Multilevel strategies for digitisation of rural areas with a people-centred approach**. This would be applied alongside option 1 and could allow the LEADER LAG access additional funding for area specific needs, this could possibly include using cooperation action to include a cluster of Villages for a broadband scheme, developing rural-urban linkages or other clusters which accommodate sufficient scale for a combined village action through a project grant.

ILDN believes that the Smart Villages objectives can be effectively accommodated through the above approach using the already well-developed LEADER infrastructure across Europe. The need to overcome many barriers in LEADER / CLLD referred to in the ENRD draft (excessive bureaucracy and administration) is a given, and this need applies to any and all EU funded programmes to ensure they are fit for purpose. The answer is not to reinvest the wheel, it is to oil it, to service and properly maintain it and to allow it to adapt and to position it to address the evolving needs of Europe’s rural communities. In line with the Venhorst Declaration 2017 and the Integrated Smart CLLD model as outlined in Fig 1. (p 5), it could be argued that the ‘Smart’ focus should be placed on the LEADER /CLLD approach as a whole, rather than on distinct rural spaces such as Villages. This would result in better local collaborative governance approaches which would be ‘easy to use, flexible and modular’, would have the critical mass, policy alignment and focus to address the needs of all rural communities across Europe in a more integrated way.

In summary, we want to make it simple for all rural communities to work with the full range and scope of the four ESI funds, using LEADER / CLLD, using the multi-funding tool as a ‘smart integration approach. Utilising the LEADER LAG infrastructure as rural innovation animators’, with our LAGs working as a ‘synergy tool’ to bring “greater coordination to rural development supports including through greater animation and capacity building, investments, innovation supports and networking.

In addition to the forgoing, ILDN outlines below a list of key changes which would accommodate the removal of many of the barriers referred to in ENRD draft. This would facilitate greater scope for LEADER / CLLD to more effectively address the needs of all rural areas, including villages through the use of a Smart LEADER / CLLD rural development model.

- **Firstly, recognise the evolving context** - there is significant evidence **that European Programmes are being viewed as overly bureaucratic and centralised** by rural communities, right wing populism is an emerging challenge. EU must free up Rural Development from excessive bureaucracy **and allow it demonstrate value added of EU on the ground.**
- **Reduce risk and complexity of Multi Fund approach**, Structural Fund rules need to be aligned, simplified and administration burden disincentives for member states removed, with one single MA
- **MSs need to embrace bottom-up development and empower rural communities to reach their potential** – using LEADER / CLLD to build social capital in communities;
- **Social innovation needs to be embraced at all levels so that local social capital can thrive** – communities with high social capital are more likely to initiate positive community actions and attributes – a key requirement for Smart Villages and countryside's

- **LEADER / CLLD is a proven example of social innovation at governance level through institutional innovation, we need to ensure LEADER / CLLD has the agility / flexibility to face the SV challenges**
- Establish a separate **decentralised Fund for Citizen-led local development** to be deployed through **citizen-led local partnerships which are not institutionalised** (The LDCs in Ireland as one example), so that **local strategies can respond to local needs / challenges** (integrated way)
- This new Citizen-led CLLD approach **needs to be strengthened and copper fastened in the CPR**, as currently there is no obligation for the ESI funds (outside of EAFRD) to put any funding into CLLD & **EAFRD no longer part of cohesion policy**
- The fund to receive **15% of the European Structural Investment Funds** with **no distinction or demarcation** between the ESI funds
- There needs to be a **shift from compliance to achieving goals and respecting the agreed principals / methods** of the LEADER/CLLD approach
- This is more than a simplification of CLLD, it would be a **radical rejuvenation of the Institutional innovation that is LEADER / CLLD**
- **Avoid creating parallel structures and use existing rural development toolbox** - use LEADER experience, capacity and local footprint as the vehicle to drive Smart CLLD at local level for Smart Villages.

Appendices

- ¹ https://enrd.ec.europa.eu/sites/enrd/files/tg_smart-villages_leaflet.pdf
- ² Footnote 3 – page 2, ENRD Draft Briefing – Working Document
- ³ <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/advantages-community-led-local-development-clld-approach>
- ⁴ https://enrd.ec.europa.eu/sites/enrd/files/leader-innovation_delivery-chain_pwg-discussions.pdf
- ⁵ https://ldnet.eu/wp-content/uploads/bsk-pdf-manager/Proposition_Groupe_CARMEN_-_2_pages_171015_24.pdf
- ⁶ <https://leaderconference.minhaterra.pt/rwst/files/I21-20181009XLEADERXRELOADEDXPAPERXROBERTXLUKESCH.PDF>
- ⁷ OECD Draft Principles on Rural Policy, 21 December 2018
- ⁸ As outlined in LEADER RELOADED Keynote paper, ELARD conference 2018, Robert Lukesch
- ⁹ https://enrd.ec.europa.eu/sites/enrd/files/enrd_publications/publi-enrd-rr-26-2018-en.pdf
- ¹⁰ <https://www.espon.eu/sites/default/files/attachments/ESPOL%20Policy%20Brief%20on%20Shrinking%20Rural%20Regions.pdf>
- ¹¹ <http://www.oecd.org/cfe/regional-policy/Edinburgh-Policy-Statement-On-Enhancing-Rural-Innovation.pdf>
- ¹² The EAFRD is not included in the new CPR but the articles on CLLD are applicable to LEADER, which remains a compulsory component of rural development programmes, with 5% of the budget ring-fenced.
- ¹³ https://enrd.ec.europa.eu/sites/enrd/files/tg6_smart-villages_leader_ohara.pdf
- ¹⁴ Examples of Village initiatives supported through LEADER:
<https://www.smart-village-network.eu/>, (The Smart Village Network is an independent bottom-up initiative of open minded villages, village groups (including Local Action Groups, LAGs) and village associations; and
<http://s3.spanglefish.com/s/13094/documents/germany-5th-day-of-villages.pdf>, (The Working Group Living Villages is the organiser of a Brandenburgian Network for Living Villages.
<http://www.dgleader.co.uk/projects/day-of-the-region/> and <http://www.irdduhallow.com/tourism-and-culture-north-cork-kerry/tourism/festivals/day-of-the-regions/> (Day of the Region aims to encourage all of us to get to know those in our community better, explore what’s on our doorstep and create a greater sense of pride in our own regional identity.
- ¹⁵ Robert Lukesch, Contribution to the International Seminar “Social Innovation in Public Policies” in Brasilia (BRZ) 7th and 8th March, 2018 - https://ldnet.eu/wp-content/uploads/bsk-pdf-manager/Lukesch_People_Places_Cracks_Light_Brasilia_35.pdf
- ¹⁶ EU Research Project (Horizon 2020): Social Innovation in Marginalised Rural Areas. <http://www.simrah2020.eu/>
- ¹⁷ https://enrd.ec.europa.eu/sites/enrd/files/leader-resources_lag_survey_results.pdf
- ¹⁸ <https://www.nature-of-innovation.com/ueber-noi/>
- ¹⁹ LEADER Border Region Nature of Innovation cooperation project in Ireland involves: Monaghan Integrated Development CLG (Lead Partner), Louth LEADER Partnership CLG, Leitrim Integrated Development Company CLG., County Sligo LEADER Partnership Company CLG. and Donegal Local Development CLG. under the LEADER Cooperation element of Rural Development Programme 2014-2020.

END

Irish Local Development Network www.ildn.ie
 Tait Business Centre, Dominic St, Limerick 061 404923
 Gabriel O’Connell – ILDN RDP Strategic Policy Working Group
goconnell@midl.ie